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FACTS ON FILE
Weekly World News Digest with Cumulative Index

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WORLD AFFAIRS

KOREA

Truce-Talk Recess

U.S. Plans Compromise Bid. The U.S. & its allies took a recess from Korean truce talks this week and conferred behind the scenes on whether to make a new offer.

(The deadlocked Panmunjom conference was recessed May 16 for a 3-day period, then the lull was extended May 20 for another 5 days. Lt. Gen. William K. Harrison Jr., chief of the UN truce team, conferred in Tokyo May 18-19 with Gen. Mark W. Clark, Supreme Commander.)

Reports from Tokyo, Washington & UN Hq. in New York indicated that the U.S. Govt. was ready to modify its demands on prisoners of war, as follows:

The most recent UN offer (submitted in Panmunjom May 13) would have freed all anti-Red Korean POWs as soon as a cease-fire took effect and turned anti-Red Chinese over to a neutral commission in Korea. The Chinese would have been released as civilians if they did not decide within 60 days to go home. Their cases would not have been placed indefinitely in the hands of a major political conference on Korea, as demanded by the Communists.

The proposed new UN offer, described in reports May 18-20, was said to duplicate a plan approved by the UN Gen. Assembly last December: (1) both Korean & Chinese anti-Red prisoners would be placed in neutral custody under a 3-month time limit; (2) the cases of those who still refused to go back to Red territory would be referred to a political conference starting 90 days after a cease-fire; (3) if the conference did not settle their fate within 30 days, their cases would go to the entire UN.[1]

Pressure from Asians, Allies. Prime Min. Jawaharlal Nehru told the Indian Parliament May 15 he preferred the latest Communist plan (submitted May 7) as a "basis for discussion." British officials indicated that they agreed with Nehru. India was said to have canvassed European & Asian UN countries and registered objections to the UN offer of May 13. The Canadian External Affairs Dept. said May 16 it had pointed out to the U.S. "what appear to be differences" between the Allies' May 13 offer and the last Gen. Assembly resolution. A Burmese Govt. spokesmen indorsed Red China's plan May 17.[2]

Meanwhile the Chinese Nationalist Govt. on Formosa was reported May 14 to have objected to American acceptance of a 5-nation commission to take custody of POWs. The Nationalists were said to feel that India would line up with Poland & Czechoslovakia to favor Red China, leaving Sweden & Switzerland in the minority. Col. Ben C. Limb, South Korean observer at the UN, said May 18 he was "profoundly shocked by the serious discussion" of a truce plan that would let Poland & Czechoslovakia send "agents & even troops" into South Korea as members of a POW commission. "We cannot admit the enemy as a 'neutral' to sit in adjudication over our own destinies," he declared.[3]

U.S. Debates Policy. The U.S. State Dept. issued a statement May 15 declaring its intention to seek an "honorable armistice" under which no POW would be forced to go back to the Communists or held in "indefinite captivity" by a neutral custodian. The statement constituted a reply to those of Nehru & British Prime Min. Sir Winston Churchill[4] applauding Red China's latest offer on the POW issue. Nehru's expression of preference for the Chinese truce plan was called "naiveté" by Chrmn. Alexander Wiley (R., Wis.) of the Senate Forgn. Relations Committee. Chrmn. William F. Knowland (Calif.) of the Senate Republican Policy Com. said Nehru's statement "confirms what I have said before—India votes most of the time with the Communists." Sen. Mike Mansfield (Mont.), a Forgn. Relations Com. Democrat, said Nehru "seems to fail to understand the situation." Sen. Ralph E. Flanders (R., Vt.) termed the Red plan for "persuasion" talks to POWs in neutral custody a scheme to subject them to "3 months of unmolested brainwashing."

Many senators voiced opposition privately May 19-20 to the new UN truce offer reportedly in the making. Sen. H. Alexander Smith (R., N.J.), a leading Forgn. Relations Com. member, declared May 19 his "complete opposition" to any armistice plan that left the fate of prisoners unsettled. He expressed belief that the Reds' real purpose in Korea was to maneuver Red China into the UN.[5]

Fighting. Strong Red ground attacks were turned back May 15-20 on the western half of the front. 800-900 MIG-15 jets challenged U.S. Sabrejets in air battles during a 6-day period ending May 19. Allied pilots reported 36 enemy planes shot down. Capt. Joseph McConnell Jr. of Apple Valley, Calif., a Sabrejet pilot, was withdrawn from combat May 18 after he had downed his 16th MIG, highest score to date by a jet pilot.[6]

INDO-CHINA

French Delta, Laos Victories. French Union forces claimed their most important victory in northern Viet Nam since fall when the rebel 320th Division was beaten May 17 in an effort to capture Yenvi (underlined on map). The rebels tried to take that Red River Delta outpost, a strongpoint in the French defenses of Hanoi, to celebrate the 63d birthday of Red leader Ho Chi Minh (May 19). The French said the Viet Minh division suffered "terrible losses" in a futile 28-hour attack, which was beaten after the French sent in paratroop reinforcements.

N.Y. Herald Tribune

A French Union force led by Lt. Gen. Raoul Salan, retiring French commander in Indo-China, climaxed a drive in the Plaine des Jarres area of Laos (X on map) by recapturing Xiengkhouang May 18. The rebels had been expected to make that town (midway between Paksane & Luangprabang) their main base in Laos, but the French said they gave it up after only "feeble resistance."[7]

Week in Headlines

Allies drafted new truce plan on Korean POWs.
U.S. Senators assailed Britain over China trade.
Newsman William Oatis freed by Czechoslovakia.
French dealt rebels 2 defeats in Indo-China.
Pres. Eisenhower appealed to public against tax cuts.
Heavyw't champ Marciano KOd Walcott in first round.

1—see p. 149A-E 2—see pp. 150H, 49E 3—see p. 149D 4—see p. 105F 5—see pp. 158D-K, 149F 6—see p. 149J-L 7—see p. 151C
(See Index Sections of this & previous volumes of FACTS ON FILE for other references to persons & subjects mentioned in News Section)

(Salan, who had been criticized for the recent rebel drive into Laos, defended his strategy in an interview in Hanoi May 14. He said his forces in Laos, outnumbered 12 battalions to 40, succeeded with a plan to slow down the invaders enough so that they had to withdraw before the rainy season began. Salan's successor, Gen. Henri-Eugene Navarra, arrived in Saigon May 19.)[1]

Retail prices were reported to have risen 100%-200% in Hanoi May 14 following devaluation of the piaster. Merchants were said to be disregarding a Govt. order freezing prices at the May 9 level.[2] . . . **Adlai E. Stevenson**, U.S. Democratic Presidential nominee in 1952 now touring Southern Asia, advocated in New Delhi May 13 that the French issue "a declaration that they will quit Indo-China when hostilities end." He said it would "help build anti-Communist resistance in Indo-China." He also recommended in a *Look* article (May 19) that France & Viet Nam give the U.S. a stronger voice in Indo-Chinese policy. He said he had been told when he visited Indo-China that the French were "too often behaving as in the colonial past." He urged free elections in Indo-China and a land reform program "to balance Viet Minh promises with Viet Nam performances." (Stevenson said in Karachi, Pakistan May 16 he favored more American economic aid to Asian countries without a cutback on support of Europe.)[3]

COLD WAR

Inter-Allied Disputes

Senators Assail Britons. British-American differences over Korean & Cold War policy and trade with Red China brought British leaders under sharp attack in the U.S. Senate the past week. Sen. Joseph R. McCarthy (R., Wis.), who had been accused by ex-Prime Min. Clement R. Attlee of undermining Pres. Eisenhower's policies, struck back May 14 with a speech denouncing the Labor Party leader. A Senate subcommittee headed by McCarthy also aired charges May 20 that British ships had increased their trade with Red China this year and that at least one had moved Chinese Red troops in 1952. These reports resulted in a bipartisan request that Pres. Eisenhower explain his policy on Allied trade with China.

McCarthy replied in the Senate May 14 to the speech Attlee had made in Commons May 12. The Senator labeled the ex-Prime Minister as "Comrade Attlee," denounced him for past compromises with "treason" in conjunction with ex-U.S. State Secy. Dean G. Acheson. If Britain tried to force America to accept "a Communist peace" in the Far East on threat of withdrawing support of the U.S., the U.S. should tell the British to "withdraw & be damned," McCarthy declared, then "sink every accursed (British) ship carrying material to our enemy." McCarthy said Attlee's remarks about Pres. Eisenhower's authority had "insulted" the President. (Attlee discoursed during his May 12 speech on the U.S. Constitution, which he said was drawn up for an "isolationist" country and gave the President no firm control over foreign policy.) Sen. Everett M. Dirksen (R., Ill.) said U.S. aid to Britain should be cut "infinitely" deeper than recommended by the President's foreign aid budget. Sen. William F. Jenner (R., Ind.) denounced both Attlee & Churchill for their attitude toward Red China.

Other Republicans criticized those who had made speeches denouncing the British and suggesting that the U.S. "go it alone" if Britain would not adopt stronger policies against Red China. Sen. John S. Cooper (R., Ky.) chided McCarthy for "rash & immoderate" statements, said Dirksen's threat to cut aid to Britain would do nothing for American "security & freedom." Chrmn. Alexander Wiley (R., Wis.) of the Foreign Relations Com. and its next-ranking Republican, H. Alexander Smith (N.J.), disavowed attacks on Britain May 15. Smith said he could "imagine nothing more pleasing to the Kremlin that, the present [U.S.-British] battle of words."[4]

Conciliatory Moves. Attlee denied May 14 that he had criticized the U.S. in his speech. He said he had praised the American record in foreign affairs, merely explained the U.S. Constitution for the benefit of Britons who did not understand it. He declared that he had fought Communists —first as a British labor leader—"long before Sen. McCarthy was ever heard of." The British press generally supported the Churchill-Attlee policies. But Churchill asked in Commons May 18 that Britons stop "nagging" the U.S. He rejected a Laborite proposal May 20 that Pres. Eisenhower be invited to London to discuss U.S.-British "differences." Rather, said Churchill, he would like for the President to visit Britain and talk over "the vast vital body of agreement" among English-speaking nations.[5]

U.S. State Secy. John Foster Dulles also said May 16 (in a statement on World Trade Week) that the Russians worked always for "distintegration of free world unity" and that "the free world must prove these predictions (of Western conflicts over trade) wrong."

Probe China Trade. The Senate Investigations (McCarthy) Subcom. in Washington was told in a televised hearing May 20 that "an absolute minimum" of 162 ships of non-Communist nations (100 British) had engaged in trade with Red China the first 3½ months of this year, and 193 allied vessels last year. Robert F. Kennedy, subcommittee assistant counsel, said the information came from Naval Intelligence. The subcommittee was told that British exports to Red China totaled $5,750,000 in Jan.-Feb. 1953 as against $334,000 the same months of 1952. Kennedy said a ship owned by the Wheelock-Marden firm in Hong Kong carried Red troops along the Chinese coast in 1952. John F. Leddy, Acting Dep. Asst. State Secy. for Economic Affairs, said he had heard of such an incident involving a British ship which occurred in 1951. At the suggestion of Sen. Stuart Symington (D., Mo.), McCarthy sent Pres. Eisenhower a letter later in the day asking his attitude toward trade with Red China by Allied countries & the reported increase in British-borne trade this year.

The British, who refused to cut off trade with China in goods they rated as non-strategic or confined to civilian use, denied knowledge of the troop-shipment incident. However, the Foreign Office announced it had asked the Govt. agencies concerned to investigate.[6]

U.S. Bars Big 3 Talks. U.S. State Dept. officials said May 19 that the U.S. would not take part in any top-level conference of world powers unless France, as well as the U.S., Britain & Russia, was represented. Yugoslav Pres. Tito indorsed May 17 the proposal by Churchill for a meeting of big-power leaders provided their talks were confined to an exchange of views and no decisions were attempted. West German Chancellor Konrad Adenauer, returning to Bonn May 16 after a 2-day meeting with British leaders, said he was confident Churchill would not "agree to a 4-power pact at the expense of Germany."[7]

Ridgway vs. NATO Cuts. Gen. Matthew B. Ridgway, NATO supreme commander & incoming Army Chief of Staff, told the House Forgn. Affairs Com. in Washington May 18 it was "essential to the security of the U.S., as well as to all the NATO nations," that U.S. arms aid to Europe be maintained at the level recently recommended by Pres. Eisenhower ($2,534,523,000 of the $5.8 billion foreign aid budget recommended for fiscal 1954). He said there had been no sign of a diminution of Soviet preparedness and a "go it alone" policy for the U.S. would mean "inevitable national disaster."[8]

Bonn Ratifies Treaties. The West German Parliament completed ratification of the European Defense Community treaty & German peace contract with the West May 15. It was passed by the Bundesrat (upper house), 23-15, with 2 annexes insuring the rights of West German states. Vice Chancellor Franz Bluecher said the ratification demonstrated "the clear political will of Germany." (The validity of both pacts under the West German Constitution would get a Constitutional Court ruling next summer.)[9]

Danube Accord. Yugoslavia's first substantial agreement with a Soviet-bloc country since its split with the

1—see p. 151D 2—see 151D-E 3—see 151E, G, 123D 4—see 150G-K 5—see 149M 6—see 151J-K 7—see 150D 8—see 152D, 143J 9—see 131A

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Cominform in 1948 was announced May 14: an accord with Rumania to set up a group to direct Danube shipping through the Iron Gate (Yugoslav-Rumanian frontier). Austria & Hungary also announced May 16 an agreement under which Danube boats of either country could pass through the other's territory.

Oatis Released

Returns Home, Reticent on Czechs. William Nathan Oatis, 39, of Marion, Ind., chief Associated Press correspondent in Prague until his arrest 2 years ago as a spy, was released May 16 under a pardon granted by Czech Pres. Antonin Zapotocky. Oatis arrived in New York May 18. He told interviewers there was "some justification" for his arrest under present-day Czech law, under which many Western journalistic practices were "certainly espionage." He refused to criticize the Czechs' handling of his case until he had studied "the record as published in" the U.S.

Wide World

Newsman William N. Oatis & wife reunited at International (Idlewild) Airport in New York after his arrival there May 18.

The Czechs announced that Oatis was being freed in response to a letter written the late Pres. Klement Gottwald Nov. 15 by Oatis' wife Laurabelle, 29, of St. Paul, Minn. Mrs. Oatis, an advertising copywriter, had pleaded for her husband's release as a simple act of "mercy" to end their "bitterly unhappy" separation. (Oatis had gone to Prague as AP bureau chief in June 1950, 3 months after their marriage. He was arrested Apr. 23, 1951 and sentenced July 4, 1951 to a 10-year prison term after a trial in which he entered a confession to espionage. The charges revolved around his efforts to collect information not handed out by officials of the Czech Red regime.)

Oatis was released from Pankrac Prison (Prague) to U.S. Embassy officials May 16 and driven to Nuremberg, Germany, then to Frankfort-on-the-Main (May 17) before flying to New York where he was reunited with his wife.

Oatis appeared to be in good condition and said he was in good health but had been completely isolated from the news during his 2 years in prison. He indicated some nervousness & uncertainty during interviews in Germany & New York, particularly when he went before 100 reporters who greeted his arrival in New York May 18. AP officials who accompanied Oatis pleaded that he be given time to adjust himself to his suddenly-restored freedom.

Interviews With Oatis

Oatis said in Nuremberg: He had been so shut off from the world in Pankrac Prison he had not heard of Pres. Eisenhower's election or Stalin's death; he was not mistreated while a prisoner, usually had a cellmate, was given no drugs except treatment for a case of tuberculosis of which he was cured; he was questioned 8 hours a day for several weeks after his arrest and subjected to "psychological" treatment; his release was unconditional and he was under no threats.

In Frankfort: "If it sounded (during his trial) like I was reciting something, why that's the way it was"; he found in Czechoslovakia that "an American reporter trying his best to do a job as fairly as he could was not understood."

In New York: He asserted that "certain things I did were a violation of the law" in Czechoslovakia; questions whether they would have been violations in the U.S. did not apply because "I was in Czechoslovakia." He refused to repudiate his trial confession or say whether he had passed information to the U.S. Govt. He acknowledged that his reticence about criticizing the Czechs placed him in "an embarassing position" but said "I'm not telling you why I'm not talking." The collection of economic, political & military information from unofficial sources for any purpose was branded as "espionage" under Czech law, he related, and penalties ranged from 10 years' imprisonment to death if it was passed to a foreign Govt.[1]

Deny U.S.-Czech Deal. The State Dept. said May 16 that it had made no deal with the Czechs for Oatis' release but might "give consideration to the removal of those restrictions" imposed on U.S.-Czech relations after the newsman's arrest. (The U.S. had cut off nearly all trade with Czechoslovakia, which formerly sold the U.S. $20 million worth of goods a year. It had also banned travel to Czechoslovakia by Americans except on urgent official business and barred Czech civilian planes from West German airports.) A Czech C-47 flown to West Germany by escaping anti-Communists was returned in Berlin May 19 but U.S. officials in Germany said that was planned before the pardoning of Oatis.

Other Cases. Oatis' release gave fresh impetus to efforts to free John Hvasta, 26, a U.S. Consulate employe in Prague arrested in Oct. 1948 as a spy. The Czechs had reported his escape from prison in 1952, had never confirmed rumors of his recapture. The British Govt. reported May 18 that it had "met with no success" in latest efforts to persuade Hungary to release Edgar Sanders, IT&T official imprisoned in 1949 along with Robert Vogeler, whom the U.S. ransomed in 1951.[2]

The Russians in Berlin returned to American custody May 19 2 U.S. soldiers who had been held in the Soviet zone since Nov. 26. The Russians had contended that the 2 men—Pvts. Raymond V. Michalowski, 21, of Perth Amboy, N.J. & Lieutenant* Night, 20, of Los Angeles — had sought asylum in East Germany. The U.S. said they were seized by East-zone police while guarding a freight car.[3]

U.S. Asks Release of Russian Wives. U.S. Amb. Charles E. Bohlen asked Soviet Forgn. Min. V. M. Molotov during a Kremlin talk May 12 for permission for Russian wives of Americans to leave the USSR, the State Dept. reported May 13. About 350 Russian women were said to have been prevented from joining their American husbands.

(The State Dept. reported May 19 that at least 5,208 American citizens were detained in Soviet-bloc countries. Most of them were persons with dual citizenship claims. By countries: Poland held 3,103 Americans or "dual nationals" plus 15,000 others with "possible" U.S. citizenship rights. Russia held 135 recognized Americans, 1,179 others whose status was uncertain because American officials in the USSR could not interview them. Hungary held 430 Americans, Rumania 413, Czechoslovakia 330, Bulgaria 60, Red China 31. 184 Americans, mostly missionaries, were said to be in Red China voluntarily but the other 31 were under house arrest.)[4]

DULLES-STASSEN TOUR

Visit 7 Nations. U.S. State Secy. John Foster Dulles & Mutual Security Dir. Harold E. Stassen arrived at New Delhi, India May 20 after a 10-day fact-finding tour of 7 Middle East nations (Egypt, Israel, Jordan, Syria, Lebanon, Iraq & Saudi Arabia). Major impressions of the tour as summarized in press reports: Israelis hoped it would spur new efforts to improve Arab-Israeli relations; Arab leaders said there was little possibility of peace with Israel; both Arabs & Israelis felt settlement of their problems should precede any Middle East defense setup.

Predicts New U.S. Policy. Dulles said May 18 in Baghdad that he felt the U.S. had failed to pay sufficient attention to countries east of Turkey and that new U.S. policies would be evolved as a result of his tour. He said he had been received with "cordiality & frankness."

Communists in the Arab states greeted the American officials with "Warmonger Dulles" & "Down with pro-Zionist U.S." signs, but only in Lebanon did demonstrations reach sizable proportions. Israel, taking unprecedented security measures, banned all demonstrations, but Communists held "peace" rallies in Tel Aviv, Jerusalem & Haifa May 13 when the U.S. party arrived in Tel Aviv.

*—First name 1—see p. 142K-L 2—see p. 82E 3—see p. 150L 4—see p. 141J (Consult Index by name & subject for other references)

Israel Asks Loan Aid. Israeli economists asked Dulles & Stassen May 14 to help Israel borrow $75 million in the U.S. to convert expensive short-term credit into long-term obligations. They said Israel had to meet $111 million in short-term debts by Mar. 31, 1954, estimated they could save $10-$15 million annually by the conversion.

Israeli leaders and Dulles & Stassen also discussed Mid-East defense, compensation & resettlement of Arab refugees, Jordan Valley development, Jerusalem, other aspects of Israel's finances & world issues. Israeli Pres. Itzhak Ben Zvi made public May 18 a letter from Pres. Eisenhower, delivered by Dulles, in which the U.S. President said he was "most anxious. . . . that the tensions" between Israel & the Arab states "be overcome so that real peace may return to the Near East."[1]

Arab Needs Put First. Dulles called on Jordanian King Hussein in Amman May 14 and conferred with Premier Fawzi Pasha el Moulki May 15. Fawzi was said to have declared there could be no discussion of Middle East defense until the individual problems of the Arab states were settled. He blamed Jordan's critical economic situation on the influx of Arab refugees from Palestine. Forgn. Min. Hussein el Khalidy told Dulles the Arab League had resolved there could be no peace with Israel. Later the same day Dulles met representatives of Palestinian Arab refugees in Damascus, Syria. He said the existence of refugee camps in Jordan was most saddening.

Syrians Criticize U.S. Syrian officials welcomed Dulles but some scored the U.S. for emphasizing Mid-East defense instead of the attainment of Arab "national aspirations." Dulles had no comment on his talk May 16 with Syria's "strong man," Dep. Premier Gen. Adeeb Shishekly.

Lebanon Gives Views. The Lebanese Parliament's Forgn. Affairs Com. told Dulles May 17 that the U.S. must "remove from its mind any possibility of peace with Israel." The committee set forth Lebanon's official stand on Mid-East problems: the U.S. should support Arab nationalism, compel Israel to halt immigration and implement UN resolutions on Palestine; Arab states could not accept a defense system prepared by nations having no direct relation to the Arab area; Arabs considered defense of Suez their problem; Arab nations welcomed American technical & economic aid if it did not jeopardize national sovereignty. The Americans' arrival in Lebanon was delayed 1½ hours May 16 because of anti-Western demonstrations in Beirut. 8 persons were injured, 11 arrested.

Sees Kings. Dulles was the guest of Iraqi King Faisal II in Baghdad May 17 and of Saudi Arabian King Ibn Saud in Riyadh May 18. He also conferred with officials of the Arabian-American Oil Co. on Saudi Arabian oil production.

Suez Dispute. Egyptian commercial transactions with Britons in the Suez Canal zone were banned May 14 by the Egyptian Govt. The order required special permits for sale of food, building supplies & other materials. An Egyptian spokesman said May 16 that U.S. State Secy. John Foster Dulles had been promised there would be "no drastic moves" in Suez until he conferred with Pres. Eisenhower after his Middle Eastern tour.[2]

NATIONAL AFFAIRS

THE PRESIDENT

Taxes & Budget Cutting

Bars Early Tax Cut. Pres. Eisenhower, presenting his tax program to the nation in a radio address May 19, said that danger of Soviet aggression & of continued cheapening of the dollar made it necessary for Americans to give up plans of early tax reduction and even to forego 2 tax cuts scheduled for 1954. But he held out hopes that he would recommend tax reductions in Jan. 1954.[3]

Soviet Threat. The President warned that "there has been, to this moment, no reason to believe that Soviet policy has changed its frequently announced hope & purpose—the destruction of freedom everywhere." He therefore saw "no reason for the free nations to alter their course: to hope & work for the best, to arm & be ready for the worst." He charged that the Soviets had "coldly calculated" to use "their military threat. . . . to force upon America & the free world an unbearable security burden leading to economic disaster." "I firmly believe—and I think the Soviets realize—that the United States, if forced to total mobilization, could meet & win any military challenge."

Tax Proposals. Pres. Eisenhower said he was recommending the following tax measures to Congress:

1. "The excess profits tax on corporations . . . should be extended for 6 months beyond its present expiration date of June 30" to provide $800 million more in taxes.

2. The 5% cut in regular corporation income taxes scheduled for Apr. 1, 1954 "should be repealed" to provide about $2 billion more a year in federal revenues.

3. The excise tax cut scheduled for Apr. 1, 1954 "should not be put into effect pending the development of a sounder system of excise taxation, for which I shall make specific recommendations to the Congress next January."

4. The old-age security tax rise (from 1½% to 2%—on both employers & employes) scheduled for Jan. 1, 1954 "should be postponed" since the "old-age & survivors trust fund has now reached $18 billion and receipts at present tax rates are in excess of current expenditures."

5. The projected 10% cut in personal income taxes should take effect Jan. 1, 1954 as scheduled. (Some Congress members had sought to make it effective July 1, 1953.)

Budget Cutting. "Because of the necessary costs of national security, your Govt. is not just preaching economy but practicing it," the President said. "Every department . . . has cut its requests for funds" and, "as a result, we have been able to reduce the previous Administration's request for appropriations of new money [in fiscal 1954] by some $8½ billion." He promised that "next year we shall spend at least $4½ billion less than was planned by the former Administration" but said this was "less than ½ the deficit planned by the previous Administration." He said: "No effort will be spared in the coming months to achieve additional vital economies." "Significant" economies "will depend on some gradual improvement in the world situation. If we should be disappointed in this, I shall, of course, be compelled to make recommendations for alternative sources of revenue. But if these efforts prove successful, a balanced budget will [be in] sight."

Pres. Eisenhower criticized the Truman Admin. for planning a $9.9 billion deficit for fiscal 1954 and scheduling expenditures "to reach their peak during 1954 & 1955"—"the years when . . . federal revenues from taxes, under scheduled reductions, will fall sharply downward." He said the Truman Admin. "over-estimated tax collections for the next fiscal year by some $1.2 billion"—an over-estimate which "would bring the red-ink entry for the coming year up to more than $11 billion." The Truman budget, he further charged, "did not fully plan" for the Korean war and authorized $81 billion in expenditures "for which cash must be found in the tax revenues of the next several years." Since much of this was "already under contract, mostly for defense purposes, there is little room [for] immediate economies in this area."

Military Needs. On "the military front," the President said, "there must be—far from any slackening of effort—a speeding, a sharpening, a concentration that will exact the last cent of value from every dollar spent" since "our defense establishment has yet to reach the level of performance we want." He derided belief in "magic numbers" in figuring defense needs. "There is no given number of ships—no given number of divisions—no given number of air wings . . . no given number of billions of dollars—that will automatically guarantee security," he declared.

Gen. Eisenhower said that he & his advisers had determined what they considered the amount of money needed for U.S. defense by first deciding "what is truly vital to

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1—see p. 134E 2—see pp. 150N-151A 3—see p. 143B-F (Consult Index Section by name & subject for other references)

our security" and then planning "ways to eliminate every useless expenditure & duplication." The goal was "a defense strong enough both to discourage aggression and beyond this to protect the nation—in the event of aggression—as it moves swiftly to full mobilization." "We are putting major emphasis on air power, which daily becomes a more important factor in modern war," he said. His revised 1954 budget gave the Air Force over $20 billion—"more than 40% of all defense funds." In addition, naval air power was to receive more than ½ of the Navy's funds.

Wide World

The President during May 19 broadcast.

Chrmn. Dewey Short [R., Mo.] of the House Armed Services Com. revealed May 19, after the President had briefed him & other GOP Congressional leaders on the address, that the AF, which had 47 combat wings when Pres. Eisenhower was inaugurated, had been built up to about 73, was expected to have 114 by July 1, 1954 and 120 by July 1, 1955. He said the GOP Admin. did not deserve full credit for the buildup. Some members of Congress still wanted the original objective—143 wings.)[1]

Defense Spending Cut. A $2.3 billion cut in Truman budget proposals for fiscal 1954 military spending and a $5,247,128,000 cut in armed forces "new money" requests were recommended in a revised defense budget submitted by the Eisenhower Admin. to the House Military Appropriations Subcom. May 7. The Pentagon expected to spend $43.2 billion and wanted $36,171,288,000 in new appropriations. Defense Secy. Charles E. Wilson told the subcommittee May 11 that forces would be maintained at safe levels despite the cuts. He said the reductions would: (a) cut armed strength from 3½ million to 3,356,000 by June 1954 (Army manpower would drop to 1,421,000, Air Force to 960,000, Navy to 745,000, Marine to 230,000); (b) reduce draft calls to about 24,000 a month; (c) provide for a 114-wing AF by June 1954. He assured a Sen. Appropriations subcommittee May 19 that the President's military program would boost AF combat effectiveness by "much more" than 30%. He said he thought the U.S. already had more long-range bombers than Russia had.[2]

Reed Presses Tax Cut. Chrmn. Daniel Reed (R., N.Y.) of the House Ways & Means Com., chief Congressional battler for a tax cut, said May 19, after attending the Presidential briefing, that he still would press for a reduction. "And when I fight, I fight," he declared.[3]

Other Presidential Action

Press Conference. Pres. Eisenhower told reporters May 14: (a) Hawaii deserved statehood. Its case should be handled on its merits without complications such as adding Alaskan statehood to the Hawaiian statehood bill.[4] (b) He favored a current bill to give Congress members a $10,000-a-yr. raise. (The Board of Governors of the American Bar Assn. also indorsed the raise May 19.)[5] (c) He had shaken up the Joint Chiefs of Staff because Defense Secy. Charles E. Wilson wanted an entirely new team and as proof that his Administration was following a new approach to problems and cutting its links with the past.[6] (d) He thought the purpose of the UN Educational, Scientific & Cultural Org. was fine but did not know how good the U.S.' UNESCO representatives were. He intended to investigate criticisms of UNESCO by some U.S. groups.

Cruise. Pres. Eisenhower embarked May 14 on a cruise aboard the Presidential yacht *Williamsburg* which took him to Williamsburg, Va. May 15, Norfolk, Va. May 16, Annapolis, Md. May 17 and back to Washington May 18. It was his first weekend voyage on the yacht and the yacht's last Presidential cruise before being laid up in the reserve fleet. At Williamsburg, the President made a speech at William & Mary College, urging that schools & colleges teach American youth "not to say, 'Of course I like liberty, and if you don't charge me more than 15% of my income, I would like to keep it.'" "The only thing" they should ask, he said, is: "Is this sacrifice necessary?"

(The special train which took Pres. Eisenhower to New York to address 2 Republican dinners May 7 was paid for from Republican Party funds.)[7]

Backs Negro Rights. Pres. Eisenhower, at a United Negro College Fund luncheon in Washington May 19, reaffirmed his support of equality for Negroes and his opposition to "the theory that there can be 2d-class citizens." "I believe the only way to protect my own rights is to protect the rights of others," he said.

'Brain Power' Program Urged. The Natl. Manpower Council warned Pres. Eisenhower May 18 that shortages of engineers, physicians & other scientific & professional personnel were weakening U.S. security. It urged Govt. & private studies of the problem & its solution and recommended steps to train & improve use of skilled people.

Personnel. Recent appointments: **May 1**—Dallas S. Townsend, 64, of Montclair, N.J. as Asst. Atty. Gen. in charge of Alien Property Office; Bucknell U. Pres. Horace A. Hildreth, 50, ex-Gov. of Maine, as Amb. to Pakistan; ex-Ohio Gov. Thos. J. Herbert as Subversive Activities Control Board chrmn. **May 6**—Catherine B. Cleary, 36, of Milwaukee as Asst. Treasurer of the U.S. **May 14**—Frederick M. Alger Jr., 46, of Grosse Point, Mich. (defeated 1952 GOP candidate for Gov. of Michigan) as Amb. to Belgium. **May 15**—Edw. T. Wailes, 50, of Brooklyn, Forgn. Service veteran, as Asst. State Secy. for Admin.; Vice Adm. Walter S. Delaney of Washington as $15,000-a-yr. deputy admin. of Mutual Defense Assistance Control Act (to supervise control of shipping to Communist countries); Edmund F. Mansure, Gen. Services Admin., to added post of Defense Materials Procurement Admin. **May 18**—Arthur Gardner, 64, Detroit & Washington investment banker & manufacturer, as Amb. to Cuba. **May 19**—Owen Clarke, 39, Yakima, Wash. lawyer, as ICC member. (Pres. Eisenhower nominated Farrant Lewis Turner Apr. 29 as Secy. of Territory of Hawaii.)

Resignations: **May 1**—Paul M. Herzog as NLRB chrmn., effective June 30; Geo. C. McGhee as Amb. to Turkey & chief of U.S. Aid Mission to Turkey. **May 11**—Wm. H. Draper Jr. as U.S. Special Rep. in Europe, effective June 30; Howard K. Travers as Ambassador to the Republic of Haiti; effective June 30. **May 13**—Ward M. Canaday, Sol Louis Descartes & Alonzo G. Moron as Caribbean Comm. members (Robt. R. Robbins of Dayton, O. succeeded Canaday as commission's U.S. section chrmn.). (Maple T. Harl resigned Apr. 29 as Fed. Deposit Insurance Corp. chrmn. but told the President he intended to continue as a director until his term expired in 1957.)

(Mrs. Mildred McAfee Horton, ex-pres. of Wellesley College & wartime Waves head, confirmed May 19 that the State Dept. had offered to name her U.S. delegate to the UN Economic & Social Comm. but later had dropped the idea, apparently because the FBI could not complete her loyalty-security investigation in time for Senate confirmation.)

COMMUNISM

Schools Oust Reds. Chrmn. William E. Jenner (R., Ind.) of the Senate Internal Security Subcom. reported May 18 these results of charges of communism in education:

(a) California colleges & universities had dismissed about 100 faculty members and rejected at least as many applicants for teaching jobs since June 24, 1952;

(b) New York City had dismissed 81 teachers since 1950.

Jenner said the California results were obtained through a program of cooperation among the institutions & state & Congressional investigating committees.

Dr. William Jansen, N.Y.C. Supt. of Schools, had estimated before the subcommittee Mar. 25 that 1,000 Communists were teaching in the metropolitan area, mostly in private schools. (The State Board of Regents had reported to the N.Y. Legislature Feb. 26 that New York City was the only part of the state in which Communists had been reported teaching in public schools.) Anne N. Stommel, Army Signal Corps educational film technician, had told the subcommittee Apr. 24 that films & texts used at a 15-week course for N.Y.C. teachers were "against the interests" of the U.S. She said lecturers had praised Soviet anti-discrimination policies and had urged slanting of teaching to ease inter-racial tension. Films written by Waldo Salt, Albert Maltz & Ring Lardner Jr. were used in the course, she testified. CCNY revealed May 4 that economics instructor Myron L. Hoch, 42, had been suspended for refusal to tell the subcommittee whether he had been a CP member. Rutgers U., where Hoch also lectured, had suspended him May 1. Employes of N.Y.C. municipal colleges dismissed Mar. 16 for refusal to answer similar questions before the subcommittee: Dr. Jos. Bressler, 46, Elton T. Gustafson, 47, & Murray Young, 45, of

1—see p. 143B-F 2—see p. 143E 3—see pp. 143G, 124P 4—see p. 152L 5—see p. 152L 6—see p. 152B-G 7—see p. 149F

Brooklyn College; Dr. Oscar Shaftel, 40, of Queens College; Richard A. Austin, 39, & Hyman Gold, 40, City College registrar's aides.[1]

(The Sarah Lawrence College trustees decided Apr. 21 not to dismiss Prof. Irving Goldman, 42, admitted ex-Communist, who had refused Apr. 1 to tell the subcommittee the names of others he had known as Reds. Dr. Paul Harvey Aron, 31, who had refused Mar. 24 to tell the subcommittee whether he had been a Communist, quit Sarah Lawrence Apr. 21.)

(Colorado U. announced Mar. 11 that 8 faculty members had been dismissed after inquiry into subversive influences. 7 others had been cleared.)

Editors Refuse to Answer. Cedric H. Belfrage, 48, & Allan James Aronson, respectively editor & exec. editor of the weekly *Natl. Guardian*, refused May 13 to tell the McCarthy Sen. Investigations Subcom. whether they were Communists or had been in 1945-46 when they helped the U.S. Army license newspapers in West Germany. Testimony before the subcommittee revealed that some persons licensed to publish U.S.-financed German newspapers were Reds. (Co-publisher Arno Rudert of the independent *Frankfurter Rundschau*, which Belfrage helped license, was named before the subcommittee as a Communist. Rudert said in Frankfort May 14 that he had renounced CP membership publicly in 1947. He admitted that licensees Emil Carlebach & Carl Wilhelm Gerst were Communists but said they had quit the *Rundschau* and insisted that the paper had "nothing to do with communism" since.) Belfrage, a British subject, was arrested by immigration authorities in New York May 15 and taken to Ellis Island for deportation proceedings as an alleged Communist.[2] (Dr. Julius H. Hlavaty, who also had refused to tell the McCarthy subcommittee whether he ever had been a Communist, was dismissed by the N.Y.C. Board of Education Apr. 9 as chairman of the Bronx High School of Science's mathematics department.)[3]

Perl on Trial. William Perl, 34, ex-Columbia U. physics instructor, went on trial in federal court in New York May 18 on perjury charges stemming from his testimony before a grand jury in 1950 when he denied that he knew atomic spies Julius Rosenberg & Morton Sobell.[4]

Joint Probe Group Urged. A bill to create a Joint Congressional Com. on Subversive Activities was introduced by Rep. Emanuel Celler (D., N.Y.) May 14. It would have "exclusive jurisdiction" in inquiries into subversion & un-American activities in the U.S.

ARMED FORCES

Armed Forces Day. Parades & speeches in the U.S. and at U.S. installations abroad featured the nation's 4th Armed Forces Day May 16. Ex-Pres. Truman urged maintenance of both armed might & a healthy economy at Fairfax Field, Kansas City, Kan. "The world must be told that we are making our drive for peace with the force necessary to implement our programs," he said. State Secy. Dulles issued a statement declaring that "the most effective diplomacy . . . is backed by strength."

Defense Secy. Charles E. Wilson said at a Natl. Armed Forces Day dinner in Washington May 15 that the free world had reached a "posture of defense" which permitted reexamination of arms spending "in the light of economic capabilities." Gen. Omar N. Bradley, retiring chairman of the Joint Chiefs of Staff, warned at the same dinner against putting "economy ahead of security." Sen. Stuart Symington (D., Mo.), ex-Air Force Secy., charged in Enid, Okla. May 16 that the Eisenhower Admin.'s defense budget cuts were endangering the nation. He said Russian air & submarine strength exceeded that of the U.S.

Lt. Gen. Anthony C. McAuliffe, Army Deputy Chief of Staff for Operations & Admin., reported in New York that "we are at the same time mobilizing & demobilizing." The Army was "losing more than 700,000 of its trained strength in this fiscal year alone" and replacing them with "new & untrained men," he said. "We have had three 8th Armies in Korea—the one that went in originally, another that replaced it starting in Apr. 1951 and the one that is there now," he declared.

A-Tests. 2 atomic devices described as among the most powerful tested in the U.S.—about twice as potent as the wartime bombs dropped in Japan—were exploded at the Nevada atomic proving grounds May 8 & 19.

The May 8 test was of a bomb dropped from an AF B-50. It was detonated 2,500 ft. above Frenchman Flat at 8:30 a.m. 2 F-80 jet drones with 30 white mice & 2 monkeys aboard were flown into the atomic cloud at an altitude of 25,000 ft. 7 minutes after the blast. The planes were landed safely and the animals, all of which showed severe radiation effects, were killed for further study. 20 AF planes were later flown over the blast site for indoctrination, and 2,000 troops maneuvered in the area on the ground one hour after the explosion.

The May 19 test was of a device set off atop a 300-ft. tower at Yucca Flat at 5:04½ a.m. It showered radioactive particles on communities 100 mi. away. Residents of St. George, Utah & Mesquite, Nev. were asked to stay indoors between 9 a.m. & 12 noon to avoid radiation danger, and auto traffic was halted in the area. A drone plane (a Navy AD-2 Skyraider) was successfully flown through the blast's thermal envelope for the first time.

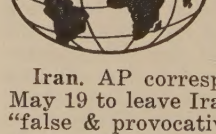
The 8th & 9th blasts of the current series, they were probably the 46th & 47th in history.[5]

GENERAL

Ex-Red Union Rejoins CIO. CIO Pres. Walter P. Reuther announced May 13 that the 50,000-member Distributive, Processing & Office Workers Union, ousted from the CIO in 1950 for alleged Communist domination, would be readmitted to the CIO when it merged in October with the 80,000-member CIO Retail, Wholesale & Dept. Store Workers. Reuther said its leaders had "sincerely & irrevocably broken with the Communist Party." The DPOWU actually was a merger of 2 expelled unions—the Food & Tobacco Workers and the United Office & Professional Workers.[6]

Labor Figures. U.S. employment dropped from 61,460,000 in March to 61,228,000 in April, according to Census Bureau figures May 18. Unemployment also declined—from 1,674,000 to 1,582,000. But farm employment rose from 5,720,000 to 6,412,000 in the same period. The bureau reported May 10 that federal, local & state governments employed 7,105,000 civilians in Oct. 1952—2,400,836 in federal, 1,103,441 in state & 3,418,263 in local government jobs. 1,883,000 worked in education, 1,309,000 in defense, 589,000 in health & hospital service, 525,000 in postal jobs, 460,000 on roads, 291,000 in natural resources & 254,000 in police work. Sen. Harry F. Byrd (D., Va.) called "questionable" the reports of federal executive agencies which listed a total of 2,546,954 civilian employes for February.

McMillan Cleared. Rep. John L. McMillan (D., S.C.) was acquitted by Fed. Dist. Judge T. Blake Kennedy, 79, in Washington May 16 of charges that he had violated federal law when he took an oil lease on Govt.-owned land in Utah. Kennedy had tried him Mar. 28 after he waived jury trial.



FOREIGN AFFAIRS

Iran. AP correspondent Marc Purdue, 39, was ordered May 19 to leave Iran within 3 days for having sent abroad "false & provocative news against the interests of Iran." Forgn. Min. Hossein Fatemi said the charge was general, gave no details of the Iranian Govt.'s complaint. Purdue, in Iran 8 months, was the 5th foreign correspondent & 3d American to be expelled since 1951.

The Anglo-Iranian Oil Co. reported May 19 a net profit for 1952 of $70,464,704, compared to $67,852,540 in 1951. Despite the loss of Iranian exports, the company's daily exports of crude oil & refined products totaled 670,700 barrels a drop of 8.6% from 733,600 barrels in 1951.[7]

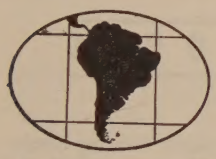
1—see pp. 77N-78A 2—see p. 153M 3—see p. 84C-D 4—see Vol. XI, 84F 5—see p. 145A-B 6—see Vol. X, p. 52K 7—see p. 155N

Japan. Pro-U.S. Shigeru Yoshida was named Premier for the 5th time May 19, defeating Progressive Party Pres. Mamoru Shigemitsu by a vote of 204-116 in the House of Representatives. 146 blank ballots or abstentions were cast, presumably by opposition Leftwing & Rightwing Socialists and Labor-Farmer members who refused to support Shigemitsu, thus assuring Yoshida's election. The House of Councillors voted 141 for Yoshida, 89 for others.

The 4 opposition parties combined May 18 to wrest the leadership of the new Diet from Yoshida's Liberal Party. Progressive Yasujiro Tsutsumi, 63, was elected speaker and anti-U.S. Hyo Hara, a Leftwing Socialist, vice speaker. The House of Councillors May 19 named Yahichi Kawai of the Ryokufukai Party as its president, defeating Yoshida's candidate, Tsuruhai Mutsuno.[1]

8 more members of the Soviet mission in Japan left for Russia May 17, leaving 40 of the former 200-member staff in Tokyo.[2] . . . Japan & Pakistan ratified May 19 a one-year trade pact under which Japan agreed to buy £32 million worth of Pakistani products and to supply goods & machinery worth £6 million. Pakistan was to import £5.5 million worth of cotton goods, £1 million worth of cotton yarn & £1.5 million in rayon & other textiles & commodities.

Philippines. Brig. Gen. Carlos P. Romulo, 52, resigned May 14 as the Philippines' permanent UN delegate & Ambassador to the U.S. to seek nomination for the Philippine presidency at the Liberal Party convention May 24. Romulo said he felt it "desirable in the national interest" that Pres. Elpidio Quirino reconsider his decision to seek another term. Quirino immediately accepted Romulo's resignation but, in a May 15 broadcast, reaffirmed his intention to run for re-election as the Liberal candidate.[3]



LATIN AMERICA

Argentina. Curtailment of U.S. news agencies' services in Argentina was eased May 19 when the Govt. reinstated AP & UP permits to operate their own communications stations. INS continued to receive uninterrupted news dispatches despite a May 13 order cutting off its teletypes to 2 Argentine newspapers. A joint Congressional committee, named May 13 to investigate the 3 agencies' activities in Argentina, promised the study would be carried out "with a high sense of justice & equity." (Intl. Press Institute in London condemned Argentina May 15 for "repeated blows against the freedom of the press.")

A foiled plot to assassinate Pres. Juan D. Perón and bomb Govt. buildings in Buenos Aires was reported May 16 by Dr. Miguel Vignola, head of a Govt. investigation of recent bombings (14 since March). Vignola said the attack on Perón, planned for May 13 as he arrived at the Capitol for a regular Cabinet meeting, involved political exiles who had "foreign" connections and hoped to escape to Montevideo. Luis Beningo Leguizamon, a Socialist, was identified by police May 17 as the person who placed a bomb that exploded in the U.S. Info. Services' Lincoln Library (Buenos Aires) July 8, 1952.

The Peronista Party announced May 14 that 21 members had been expelled and 28 suspended in Buenos Aires Province for spreading rumors against the Govt. Police arrested 29 Radicals, Socialists & Communists in Buenos Aires & Cordoba Provinces May 3 on the same charges.[4]

Pres. Perón said May 18 that Argentina would not nationalize private industry, would turn back to private control industries now managed by Govt. Technical Affairs Min. Raúl Mende reported a 49.9% rise in Argentine gold holdings the first 4 months of 1953, said Central Bank holdings totaled 1,358 billion pesos Apr. 30.

Brazilian Pres. Getulio Vargas sent to Congress May 16 a $1,155,000 balanced budget for 1954. . . . **Chilean** electoral tribunal May 16 announced results of Mar. 4 legislative elections: House of Deputies—73 seats to supporters of Pres. Carlos del Campo, 73 seats to members of Opposition parties, one seat to an independent; Senate —32 seats to the Opposition, 13 to Govt. backers.[5]

FINANCE & ECONOMICS

Economic Curbs Limited. A 2-yr. extension of a weakened Defense Production Act was passed by Senate voice vote and sent to the House May 19. The key amendment denied the President authority to impose a 90-day wage-price-rent freeze in time of emergency unless Congress first declared war or authorized the freeze by concurrent resolution. It was adopted by 45-41 (33 R., 11 D. & one ind. vs. 28 D. & 13 R.). Sen. Majority Leader Robert A. Taft rallied opposition to the freeze authority by calling it "absolutely contrary to the whole theory of a free economy" and "an acceptance of the philosophy of the Truman Admin. & of socialism." Chrmn. Homer E. Capehart (R., Ind.) of the Sen. Banking Com., which had recommended the stand-by powers, denounced Taft's charge and said he was "for all of the people of America and not just for the 40,000 businesses in America." The bill would continue until June 30, 1955 the President's authority to impose priority & allocation controls on critical materials needed for defense.[6]

BUSINESS & FINANCIAL SUMMARY

Week Ended May 16

FINANCE:	This Week	Last Week	Year Ago
U.S. Treasury—			
Monetary gold stocks	¶$22,561	¶$22,561	¶$23,297
Currency circulation	¶$29,845	¶$29,863	¶$28,497
Banks—			
Com'l, ind'l & agri'l loans	[a]¶$23,139	¶$23,133	¶$20,892
N.Y. bank clearings	$8,223,273,852	$9,717,915,582	$8,768,911,295
N.Y. Stock Exchange—			
Stock sales (shares)	5,631,395	6,254,320	4,862,815
Stock avgs. (100 stocks)*	149.09	149.29	145.85
Bond sales	$14,537,500	$14,040,100	$14,634,100
Bond avgs. (30 bonds)*	95.60	95.41	92.25
INDUSTRY:			
Auto output (cars, trucks)†	166,549	167,632	119,939
Crude oil (bbls. daily)	[b]6,334,550	6,276,150	[e]
Soft-coal output (tons)	[c]8,750,000	9,000,000	8,552,000
Elec. output (kwh).	[b]¶7,896,539	¶7,938,823	¶7,039,438
Carloadings (cars)	[b]765,411	781,499	719,793
	Apr.	**Mar.**	**Apr. 1952**
Steel output (tons)	[f]9,545,000	10,168,098	7,992,140
PRICES:	**This Week**	**Last Week**	**Year Ago**
Wheat (bu.)	$2.67⅝	$2.68⅝	$2.78
Corn (bu.)	$1.89½	$1.88	$2.11⅞
Cotton (lb.)	$ .345	$ .343	$ .3945
Wholesale food index‡	[d]$6.42	$6.43	$6.38
Weekly whlsl. commodity index (BLS, 1947-49=100)	[d]109.9	109.9	111.6
BUSINESS:	**Mar.**	**Feb.**	**Mar. 1952**
Mfrs.' inventories§	¶$44,259	¶$44,264	¶$43,732
Mfrs.' sales§	¶$26,709	¶$24,184	¶$23,205
Personal incomes (an. rate)§	¶$282,500	¶$280,900	¶$261,900
New incorps.‡	9,635	[g]7,943	7,902
Consumer spending (1947-49=100)‡	**Apr.** 129.6	**Mar.** 136.1	**Apr. 1952** 123.1
Dept. store sales (Fed. Reserve Board, 1935-39=100)	**This Week** [b]127	**Last Week** 114	**Year Ago** 117
Failures (May 7)‡	165	169	161

*N.Y. Herald Tribune ¶In millions †Ward's estimate ‡Dun & Bradstreet §Commerce Dept. [a]Fed. Reserve member banks, 94 cities, May 6 [b]May 9 [c]May 2 [d]May 12 [e]Not available [f]Record for April, brought Jan.-Apr. output to record 38,543,839 tons [g]Revised

OTHER STATISTICS. The Commerce Dept. reported May 17 that U.S. "gross natl. product" rose to a record annual rate of $361 billion in Jan.-Mar.—up $2 billion over Oct.-Dec. 1952 and $14.9 billion over Jan.-Mar. 1952. . . . The SEC reported May 10 that manufacturing company sales rose to a record $250.2 billion in 1952, against $245 billion in 1951. After-tax profits, however, fell from $11.9 billion in 1951 to $10.7 billion in 1952. Cash dividends totaled $5½ billion in each year. . . . The Fed. Deposit Insurance Corp. reported May 10 that incomes of the U.S.' 13,439 insured banks rose to a record $5.076 billion in 1952, up about 11% over 1951. Net after taxes rose from a 7.82% return on investment in 1951 to 8.07% in 1952. Dividends rose from $419 million to $442 million. . . . U.S. primary aluminum output totaled a record 209,919,425 lb. in March, a record 574,007,540 lb. in Jan.-Mar. (reported by Aluminum Assn. May 8). . . . World merchant shipping at the end of 1952 included 14,019 ships exceeding 1,000 gross tons each, the Fed. Maritime Admin. reported May 10. Their gross totaled 81,924,000 tons, deadweight 114,946 tons. The U.S. listed the most

1—see p. 134F 2—see p. 137K-L 3—see p. 127L 4—see p. 156A
5—see p. 109K 6—see p. 115M (See Index for other references)

merchant ships—3,440 vessels, 25,669,000 gross tons. (The 1,000-passenger "Washington," 5th largest U.S. liner, was put in reserve in New York Feb. 12.) . . . An FCC report of Apr. 30 listed U.S. radio broadcasting revenues as totaling $473,100,000 in 1952, TV broadcasting revenues $336,300,000 (respectively 5% & 45% higher than in 1951). Before-tax radio broadcasting profits, up 8.9% over 1951, totaled $62,600,000 in 1952. Before-tax TV profits, up 31%, amounted to $54,500,000. . . . The Commerce Dept. reported May 14 that the U.S. imported $67,340,000 worth of goods from Soviet-bloc countries in 1952, exported only $1,100,000 worth to Iron Curtain lands. The imports, about $43 million under the 1951 figure, included about $27,800,000 worth from Red China & $16,700,000 worth from Russia. No U.S. exports went to Red China, only $20,000 worth to Russia. $600,000 worth of the exports consisted of unmanufactured tobacco to East Germany. Most of the remaining exports were marked "charity" and probably consisted of food & clothing packages.

ARTS & SCIENCE

Mental Illness. Dr. Robert M. Lindler, Baltimore psychoanalyst, reported to the Natl. Psychological Assn. for Psychoanalysis at a N.Y. meeting May 17 that many neurotics were attracted to the Communist Party. Many CP leaders & Fascists have psychopathic tendencies, he said. *Mental Health—Everybody's Business*, a Natl. Assn. for Mental Health pamphlet released May 17, revealed that modern psychiatry had restored to active duty 70% of all servicemen who suffered mental or emotional breakdowns in Korean combat. Dr. Robert H. Felix, director of the Natl. Institution of Mental Health, told a Sen. Appropriations subcommittee May 15 that at least 6% of Americans had emotional or other personality disturbances. He said: 38% of all World War II draft rejections were for neuropsychiatric disorders; nearly 500,000 servicemen were discharged for such disorders and 250,000 for personality disorders; more than 500,000 Americans were in mental hospitals, many additional thousands were under psychiatric care and the cost was about $1 billion a year.

NEW BOOKS

CHILDREN ARE BORED ON SUNDAY, by Jean Stafford. Collection of short stories about avant-garde in New York & other generally unhappy people. May 11. (Harcourt Brace, 252 pp., $3)*

THE ECHOING GROVE, by Rosamond Lehmann. Story of man who falls in & out of love with 3 women & they with him. May 7. (Harcourt Brace, 373 pp., $3.95)*

MALENKOV: Stalin's Successor, by Martin Ebon. Intro. by Harry Schwartz. Analysis of material on Red leader. May 18. (McGraw-Hill, 284 pp., $3.75)†

MISS DOUGLAS OF NEW YORK, by Angus Davidson. Biog. of American heiress Harriet Douglas who courted Sir Walter Scott & other 19th Century notables, finally married an old suitor who lived to regret it. May 8. (Viking, 255 pp., $3.75)†

MR. NICHOLAS, by Thomas Hinde. First novel about English upper-middle class family, the father of which is an egoistic bully. May 13. (Farrar, Strauss & Young, 271 pp., $3)*

REPORTERS FOR THE UNION, by Bernard A. Weisberger. An account of Civil War correspondents, hazards that confronted them & how they wrote. May 7. (Little, Brown, 316 pp., $4.50)†

THE RIVER & THE GAUNTLET: Defeat of the 8th Army by the Chinese Communist Forces, Nov. 1950, in the Battle of the Chongchon River, Korea. By S. L. A. Marshall, brig. gen. who took part in struggle. May 14. (Morrow, 385 pp., $5)†

THE ROMMEL PAPERS, ed. by B. H. Liddell Hart, British military critic. With assistance of Lucia-Maria Rommel, Manfred Rommel & Gen. Fritz Bayerleiu. Trans. by Paul Findlay. German field marshal's memoirs of World War II action. (Harcourt, Brace, 545 pp., $6)†

SIMPLE TAKES A WIFE, by Langston Hughes. About "Harlem's roominghouse set." May 18. (Simon & Schuster, $1.95)*

SOME FACES IN THE CROWD, by Budd Schulberg. 20 short stories. May 15. (Random House, $3)*

STUDY IN POWER: John D. Rockefeller, Industrialist & Philanthropist, by Allan Nevins. Biog. (Scribners, 2 vols., $10)†

*Fiction †Non-fiction

NEW YORK THEATER

OPENED

CAN-CAN. Musical comedy about young magistrate who falls in love with Parisian dance-hall girl. Music & lyrics by Cole Porter. Book & staging by Abe Burrows. Choreography by Michael Kidd. Produced by Cy Feuer & Ernest Martin. Cast headed by Lilo, Gwen Verdon, Peter Cookson, Erik Rhodes, Hans Conreid, Phil Leeds, C. K. Alexander. May 7 at Schubert. (3-3-0)*

CLOSED

CAMINO REAL. May 9 after 60 performances.

THE LOVE OF 4 COLONELS. May 16 after 141 performances.

SOUTH PACIFIC. May 16 for 5-week engagement in Boston prior to resumption in New York scheduled for June 22.

*1st figure—favorable reviews; 2d—mixed; 3d—unfavorable [See p. 30P]

OBITUARIES

Lt. Gen. D'Amaso Berenguer y Fuste, 79, Spanish Premier in 1930-31 after resignation of dictator Primo de Rivera, a monarchist who opposed abdication of King Alfonso XIII in 1931; May 19 in Madrid.

2d Earl of Cromer (Rowland Thomas Baring), 75, Lord Chamberlain of Court of St. James's (British royal household) 1922-38; May 13 in London.

Rep. Merlin Hull, 82, of Black River Falls, Wis., Progressive & Republican Congressman since 1929, oldest member of Congress; May 17 in La Crosse, Wis.

Rudolf Nadolny, 80, pro-Russian German diplomat who served in 1933 as Hitler's Ambassador to Moscow, had worked in West Germany since World War II for German-Soviet cooperation; May 18 in Duesseldorf.

Most Rev. Patrick J. McCormick, 72, rector of Catholic U., Washington; May 18 in Washington.

Gen. Nicolae Radescu, 76, anti-Nazi, anti-Red Premier of Rumania Dec. 7, 1944-Feb. 28, 1945 (Russia sent Dep. Forgn. Min. Vishinsky to Bucharest to force King Michael to dismiss Radescu); May 16 in New York.

Django Reinhardt, 43, gypsy jazz guitarist who founded Quintet of the Hot Club of France; May 17, Fontainbleau.

Comdr. William F. Warms, 66, actg. captain of liner *Morro Castle* when it burned off New Jersey in 1934 with loss of 134 lives; May 14 in New York. (He was found guilty in Commerce Dept. hearings at a criminal trial on charges of negligence in connection with the disaster, later cleared by a U.S. appeals court and restored to duty as a merchant marine & Naval Reserve officer.)

SPORTS

Marciano Keeps Title. World heavyweight boxing champion Rocky Marciano, 28, of Brockton, Mass. knocked out ex-champ Jersey Joe Wolcott, 39, of Camden, N.J. in 2 min. 25 sec. of the first round of their return match in Chicago Stadium May 15. Walcott, who sat on the ring floor during most of the count, protested he had arisen just before the count of 10. The protest was disallowed by the Illinois Athletic Comm. May 18 and films of the bout upheld referee Frank Sikora's ruling of a knockout. The IAC urged that Walcott, a pro fighter for 23 years, make a "dignified retirement" from the ring.

Marciano's victory was the 44th of his pro career without defeat (39 knockouts). He weighed 184¼ lb. to Walcott's 197¾, earned about $160,000 (30% of gate, radio-TV & 3-D film receipts) to Walcott's $250,000 guarantee. 13,266 spectators paid $331,795 gross ($253,462 net) at prices ranging up to $50 a seat. Broadcast rights sold for $300,000, film rights for a royalty.

Baseball. Dom DiMaggio, 35, Boston Red Sox centerfielder since 1940, announced his voluntary retirement as a player May 12. He was the last of the 3 DiMaggio brothers active in major league ball. . . . Tommy Holmes was replaced as manager of the Amer. Assn. Toledo Sox May 14 by George Selkirk, ex-Kansas City manager.

Golf. Winners May 17: Palm Beach Round Robin in Westbury, N.Y.—Cary Middlecoff of Memphis for $3,000; first Nevada women's pro tourney at Reno—Patty Berg of St. Andrews, Ill. for $875 first prize in a playoff with Betty Hicks of Long Beach, Calif. & Louise Suggs of Atlanta.

Horse Racing. Alfred G. Vanderbilt's Native Dancer, Eric Guerin up, defeated Invigorator & Real Brother May 16 to win $23,050 in the $32,150 Withers Mile at Belmont Park, N.Y. . . . The Hollywood Turf Club at Inglewood, Calif. agreed May 14 to pay racing purses from the parimutuel handle on a 4-3-2.65 formula, with estimated purses totaling $2,820,000. The Horsemen's Benevolent & Protective Assn., which sought total purses of $3,001,000 for the 50-day meeting, accepted the compromise and ended a boycott of the track May 16.